

TRANSPORTATION GROUP

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Section I. SUMMARY OF TRENDS AND DEVELOPMENTS

The strong Yugoslav desire to establish commercial air connections with Western Europe is reflected in Yugoslav willingness to permit the Swiss airline to continue experimental weekly flights between Zurich and Belgrade while the Yugoslav air carrier is still unable to institute a reciprocal service. Since the reciprocal service would depend upon authorization to overfly the US Zones of Austria and Germany, an overture to the US is expected in the near future, which may suggest a review of the US-UK Satellite aviation policy with respect to Yugoslavia, as well as consultations with other Western nations, to preserve a common front toward Yugoslav air operations. (Item No. 1, B)

Delivery to Western European countries of transport aircraft, financed with the assistance of ECA, is nearing completion. As a result of authorizations approved during the 1948/49 ECA program, France, the Netherlands, Belgium, Denmark, and Norway have already added a total of 28 four-engine and 18 two-engine transports to their civil air fleets. (Item No. 2, B)

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SPECIAL ITEM OF GENERAL TRANSPORTATION INTEREST  
(See Annex, Page Five)

Travel in the US during 1948 was safer than at any time during the past ten years, according to a National Safety Council report.

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## SECTION II. CURRENT DEVELOPMENTS

### CIVIL AVIATION

1. The strong Yugoslav desire to establish commercial air connections with Western Europe is reflected in Yugoslav willingness to permit the Swiss airline (SWISSAIR) to continue experimental weekly flights between Zurich and Belgrade while the Yugoslav air carrier, JAT, is still unable to institute a reciprocal service. Before JAT can inaugurate its prospective route from Belgrade to Zurich, via Vienna and Munich, permission to transit the US Zones of Austria and Germany must be obtained. Although Yugoslavia has made no formal approach to the US for such overflight rights, an overture is expected soon.

In initiating aviation discussions with the US, the Yugoslavs will probably give assurances that all Soviet influence over Yugoslav civil aviation has been eliminated (the joint Soviet-Yugoslav airline, JUSTA, is reportedly in liquidation), and, as quid pro quo for air rights in the US occupation zones, they may agree to permit a US airline to inaugurate air services to Belgrade and overfly Yugoslavia en route to Greece.

conciliatory Yugoslav attitude may require the US to consider whether improved air access to the Balkans warrants placing Yugoslavia in a separate category with respect to the present US-UK policy of blocking Satellite civil air expansion. Moreover, the US may be required to consult with other Western powers (particularly Italy, France and the UK, with whom the Yugoslavs have already indicated a willingness to undertake civil air negotiations) in the interest of preserving a common Western front with regard to Yugoslav civil air operations. (SECRET)

2. Delivery to Western European countries of transport aircraft, financed with the assistance of ECA, is nearing completion. As a result of authorizations approved during the 1948/49 ECA program, France, the Netherlands, Belgium, Denmark, and Norway have already added a total of 28 four-engine and 13 two-engine transports to their civil air fleets. Three additional four-engine aircraft are yet to be delivered to France, while the economic justification of Italy's request for six DC-6 transports is presently under ECA review. In addition, France, Italy, the Netherlands, Belgium, Denmark,

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Norway, Ireland, and Greece have received ECA assistance in financing the purchases of miscellaneous aircraft parts and aviation equipment, and the construction of aviation facilities. Authorized credits to the above seven countries total \$49,700,000, or 1% of the entire ECA assistance during 1948/49. A committee of OEC in Paris is currently reviewing the question of ECA assistance to European air carriers during the 1949/50 program.

While the full effect of ECA assistance is not yet apparent, there is little doubt that the competitive position of the foreign airlines concerned has been improved and, as a consequence, their ability to earn foreign exchange substantially increased. Moreover, the already established trend toward standardization by European airlines on US-manufactured aircraft and aviation equipment has been reinforced.

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ANNEX

## SPECIAL ITEM OF GENERAL TRANSPORTATION INTEREST

Travel in the US during 1948 was safer than at any time during the past ten years, according to a National Safety Council report. The combined death rate for all major forms of transportation (i. e., passenger automobiles, taxis, buses, trains and airline transports) was only 1.8 deaths per 100,000,000 passenger miles. Death rates for individual transport media were as follows:

Railroads	0.13
Buses	0.18
Airline Transports	1.30
Passenger automobiles, taxis	2.10

Although airline travel is still approximately ten times more dangerous than rail travel, safety in airline transportation has now increased to the point where this mode of travel is only about 60% as hazardous as automobile and taxi transportation. The recent Eastern Airlines catastrophe in New Jersey, moreover, concluded an 11-month period during which US scheduled airlines operated an unprecedented volume of 5,890,000,000 passenger miles without a single fatality.  
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